



CORPORATION FOR PUBLIC BROADCASTING

Annual Financial Report

STATION FISCAL PERIOD ENDING June 30, 1997
(or December 31, 1996)

<u>Federal Communications Commission</u>	
Docket No. <u>04-191</u>	Exhibit No. <u>2</u>
Presented by <u>SFUSD</u>	
Disposition	Identified <u>5/26/05</u>
	Received <u>5/26/05</u>
	Rejected _____
Reporter <u>S. Stahl</u>	
Date <u>5/26/05</u>	

CALL LETTERS OR NETWORK DESIGNATION

Television Station

OR Radio Station

City

State

KALW 91.7 FM

San Francisco

California

SFUSD-00186

SCHEDULE OF NONFEDERAL FINANCIAL SUPPORT

ONLY ORIGINALS OF THIS PAGE SHOULD BE FILED WITH CPB

SUMMARY OF NONFEDERAL FINANCIAL SUPPORT

Fiscal Year 1997

1. Direct Revenue (Schedule A)	\$ 761,860
2. Indirect Administrative Support (Schedule B)	143,164
3. In-Kind Contributions	
a. Services and Other Assets (Schedule C)	87,228
b. Property and Equipment (Schedule D)	
4. Total Nonfederal Financial Support (sum of lines 1, 2 and 3)	\$ 992,252

CERTIFICATION BY LICENSEE

I certify that the above Schedule of Nonfederal Financial Support for the fiscal year ending 06/30/97 conforms with the definition of nonfederal financial support set forth in the Communications Act of 1934, as amended, and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 1997 Annual Financial Report Handbook of Instructions.

Signature of Station Manager or Chief Executive

KALW 91.7 FM, SFUSD
Call Letters and Licensee Name

Name and phone number of person completing this report

500 Mansell Street, San Francisco
Address of Station CA 94134

REPORT OF INDEPENDENT AUDITOR

We have audited, in accordance with generally accepted auditing standards, the financial statements of KALW for the year ended 06/30/97 and have issued our report thereon dated 11/10/97. We have also audited the above Schedule of Nonfederal Financial Support (Schedule) for the year ended 06/30/97 pursuant to the Public Telecommunications Financing Act of 1978. This Schedule is the responsibility of the management of KALW. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain assurance about whether the above Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

The above Schedule was prepared for the purpose of complying with the criteria for revenue established in the Corporation for Public Broadcasting's Fiscal Year 1997 Annual Financial Report Handbook of Instructions, and is not intended to be a complete presentation of KALW's revenue.

In our opinion, the above Schedule presents fairly, in all material respects, the nonfederal financial support of KALW for the year ended 06/30/97 as defined by the Communications Act of 1934, as amended; and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 1997 Annual Financial Report Handbook of Instructions; and includes only amounts that are also included in KALW's financial statements for the year ended 06/30/97.

This report is intended solely for the information and use of the board of directors and management of KALW and the Corporation for Public Broadcasting and should not be used for any other purpose.

Bunker & Company
Name of Independent Auditor

4340 Redwood Highway, Suite 117
Address San Rafael, CA 94903

Joseph C. Bunker, CPA 1-15-98
Authorized Signature Date

(415) 499-7661
Telephone Number

SFUSD-00187

CERTIFIER'S QUALIFICATION STATEMENT
1997

CERTIFICATION OF INDEPENDENT AUDITOR
WHO IS NOT A REPRESENTATIVE OF AN INDEPENDENT CPA FIRM

ONLY ORIGINALS OF THIS PAGE SHOULD BE FILED WITH CPB

Licensee/Station(s) _____

I certify that:

1. I qualify to certify this financial report based on the following explanation of my independence from the () licensee and/or () station:

I am not in any way responsible for the accounting operations of the station in either a working or supervisory capacity.

I am not in any way responsible for, or connected with, establishment of the overhead rates or other factors that govern the amounts of indirect or other in-kind contributions included in the station's Schedule of Nonfederal Financial Support.

I was not involved with the operations of the station during the period covered by this Report.

2. I qualify to certify this financial report based on the following explanation of my technical training and experience. (See Certification Requirements, Acceptable Auditors section, CPB Handbook of Instructions.)

CHECK ONE:

_____ I am employed by a state audit agency which qualifies as an acceptable independent audit agency. (See pages 14 and 15 of the Handbook of Instructions.)

OR

_____ I am an internal auditor who is also a:

Certified Public Accountant _____, licensed to practice in _____ (state)

Licensed Public Accountant _____, licensed to practice in _____ (state)

Name of Independent Auditor

Title

Authorized Signature

Address

Telephone Number

Date

SCHEDULE A

FISCAL YEAR 1997

DIRECT REVENUE

Round all figures
to nearest dollar

1. Amounts provided directly by federal government agencies.

Name of Agency

A. PTFP (NTIA) Facilities Grants	\$ _____	(1A)
B. Department of Education	_____	(1B)
C. Department of Health and Human Services	_____	(1C)
D. Nat'l. End. for the Arts and Humanities	_____	(1D)
E. National Science Foundation	_____	(1E)
F. Other federal funds (specify) _____	_____	(1F)
Total federal government	\$ _____	(1)

2. Amounts provided by public broadcasting entities such as CPB, PBS, NPR, AIT, CTW, FCI, other stations and regional networks.

Name of Organization

A. CPB - Community Service Grants	\$ 87,202	(2A)
B. Annenberg/CPB Project Grants	_____	(2B)
C. CPB - NPPAG	36,192	(2C)
D. CPB - Interconnection grants	_____	(2D)
E. CPB - all other funds	_____	(2E)
F. PBS - all payments	_____	(2F)
G. NPR - all payments	_____	(2G)
H. Public broadcasting stations - all payments - KQED	4,801	(2H)
I. Other (specify) _____	_____	(2I)
Total public broadcasting entities	\$ 128,195	(2)

- | | | |
|---|---------|-------|
| 3. Local boards and departments of education or other local government or agency sources. | 145,167 | (3) |
| 4. State boards and departments of education or other state government or agency sources. | _____ | (4) |
| 5. State colleges and universities. | _____ | (5) |
| 6. Other tax-supported colleges and universities. | _____ | (6) |
| 7. Private colleges and universities. | _____ | (7) |
| 8. Foundations and nonprofit associations (include underwriting). | 2,740 | (8) |
| 9. Business and industry (include underwriting). | 26,432 | (9) |
| 10. Subscription and membership revenue | 587,561 | |
| less write-off of uncollectible pledges | _____ | |
| (include miscellaneous contributions from individuals.) | 587,561 | (10) |
| 10a. Total number of contributors | 11,500 | (10a) |

SCHEDULE A - continued
Fiscal Year 1997

11. Revenue from friends groups less any revenue included on line 10.	_____	(11)
11a. Total number of friends contributors _____	(11a)	
12. Revenue from subsidiary enterprises and related organizations. See instructions for determining extent of includability.	_____	(12)
13. Auction revenue.	_____	(13)
14. Net revenue from special fund raising activities.	_____	(14)
15. Passive income (from all sources).		
15A. Interest and dividends _____	18	
15B. Royalties _____		
15C. Copyright Tribunal Distributions _____	18	(15)
16. Gains (losses) on sale of assets.	_____	(16)
17. Other (specify).		
Description	Amount	
Program Guide Advertising _____	725	
_____	_____	
_____	725	(17)
18. Total Revenue (Sum of lines 1 through 17)	\$ 890,838	(18)
<i>Adjustments to Revenue:</i>		
19. Federal revenue from line 1.	_____	(19)
20. Public broadcasting revenue from line 2.	128,195	(20)
21. Specified fund raising costs.	_____	(21)
22. Other revenue on line 18 not meeting the source, form, purpose, or recipient criteria (Schedule A-1, line 19).	783	(22)
23. Revenue on line 18 that has been previously claimed as NFFS.	_____	(23)
24. Total Direct Nonfederal Financial Support (Line 18 less lines 19 through 23). Forward to Line 1 of the Schedule of Nonfederal Financial Support	\$ 761,860	(24)

ADDITIONAL INFORMATION REQUIRED

1. Revenue received as underwriting from foundations and nonprofits (line 8)	\$ 2,740
2. Revenue received as underwriting from business and industry (line 9)	\$ 26,432

SCHEDULE A-1

FISCAL YEAR 1997

REVENUE NOT MEETING CRITERIA FOR INCLUSION AS NFFS

Unless revenue meet the specific criteria defined in the Communications Act of 1934, as amended, they must be excluded from NFFS. This Schedule (A-1) is used to report revenue that must be excluded from the total reported on Schedule A. The criteria are defined as follows:

Source: A commercial (profit-making) business enterprise, including a for-profit subsidiary, or any individual.

Form: Payment in exchange for any services or materials.

Purpose: Services or materials for any related activity of the public broadcasting entity.

Recipient: A public broadcasting entity.

List revenue from for-profit corporations or individuals reported on Schedule A which is for the sales of goods and services:

- | | | |
|---|-----------|------|
| 1. Production, taping, or other broadcast related activities | \$ _____ | (1) |
| 2. Telecasting production/teleconferencing. | _____ | (2) |
| 3. Foreign rights. | _____ | (3) |
| 4. Rentals of membership lists. | _____ | (4) |
| 5. Rentals of studio space, equipment, tower, parking space. | 149 _____ | (5) |
| 6. Leasing of SCA, VBI, ITFS channels. | _____ | (6) |
| 7. Sale of programs or program rights for public performance. | _____ | (7) |
| 8. Sale or rental of program transcripts or recordings for other than public performance including private use. | 462 _____ | (8) |
| 9. Gains on sale of assets (property, equipment or securities.) | _____ | (9) |
| 10. Sale of premiums. | _____ | (10) |
| 11. Licensing fees reported as royalty income | _____ | (11) |
| 12. Other (Attach list of other excludable revenue not listed above.) | _____ | (12) |

List any revenue claimed on Schedule A from:

- | | | |
|---|--------------|------|
| 13. A wholly owned or partially owned for-profit subsidiary regardless of the nature of business. | _____ | (13) |
| 14. A wholly owned or partially owned nonprofit subsidiary engaged in nontelecommunications work. | _____ | (14) |
| 15. Sale of program guides. | _____ | (15) |
| 16. Program guide advertising attributable to that percent of total copies distributed that have been sold through normal retail outlets and/or by magazine subscription. | _____ | (16) |
| 17. Refunds, rebates, reimbursements, and insurance proceeds. | 172 _____ | (17) |
| 18. Other (Specify any other excludable revenue not previously itemized.) | _____ | (18) |
| 19. Total Excludable Revenue. (Sum of lines 1 through 18).
Forward to Schedule A, line 22. | \$ 783 _____ | (19) |

SCHEDULE B
FISCAL YEAR 1997

INDIRECT ADMINISTRATIVE SUPPORT

For Use By Institutional Licensees Only

	Institutional Support	Physical Plant Operations
1. Costs per licensee financial statements	\$ 962,786	
2. LESS: Costs groups that do not benefit the operations of the public broadcast station		
3. Adjusted balance (line 1 minus line 2) <i>Attach a listing of cost groups included in this amount</i>	962,786	
4. Percentage of allocation <i>basis of allocation must be stated below</i>	8%	
5. Portion of support activity benefiting station (line 3 times line 4)	77,023 5a	5b
6. Total support activity benefiting station sum of lines 5a and 5b	\$ 77,023	
7. Occupancy value - check one <input checked="" type="checkbox"/> Annual Value - same as FY96 <input type="checkbox"/> NEW Annual value Occupancy forms attached	66,141	
8. LESS: any fees paid to the licensee for overhead recovery, assessment, etc. See instructions for further guidance.		
9. Total Indirect administrative support sum of lines 6 and 7 minus line 8. Forward to line 2 of the Schedule of NFFS.	\$ 143,164	

Basis of allocation used for line 4 above

Institutional support *explain*

Indirect Costs Rate

Physical plant operations *explain*

SCHEDULE B - WORKSHEET
FISCAL YEAR 1997

INDIRECT ADMINISTRATIVE SUPPORT
Using the Other Sponsored Activities Indirect Cost Rate

For Use By Institutional Licensees Only

1. Determine station net direct expenditures

Total station operating expenditures \$ _____
Audited amounts

Less: Capital Outlays \$ _____
 Depreciation _____
 Amortization _____
 In-kind services _____
 Donated property _____
 Other _____
 Total (_____)

Net Station Direct Expenses _____ (1)

2. Modify licensee negotiated cost rate

If the station's direct expenses are not included in the cost base, do not continue with this worksheet.

1997 Licensee negotiated indirect cost rate _____ %
attach rate sheet

Less: portion of rate that does not benefit the operation of the station:

Departmental administration _____
Sponsored projects administration _____
Library support _____
Other _____
 Modified cost rate _____ %

3. Apply modified rate to station net direct expenditures

Station net direct expenditures \$ _____
Modified other sponsored activities rate X _____
Total indirect support (forward to line 6 of Schedule B) \$ _____

NOTE: Do not claim a value for occupancy if the cost pool includes a rate for building use

SCHEDULE C
FISCAL YEAR 1997

IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

This support must be recognized in the station's statement of activities

Supporting documentation for all claims must be maintained at the station and may be requested by CPB.

	Type of Donor		
1. PROFESSIONAL SERVICES			
(a) Legal	_____	\$ _____	(a)
(b) Accounting/Auditing	_____	_____	(b)
(c) Engineering	_____	_____	(c)
(d) Other (specify exact type)	_____	_____	(d)
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
Total Professional Services		\$ _____	(1)
2. GENERAL OPERATIONAL SERVICES			
(a) Annual Rental Value of Space (Studios, Offices, or Tower)	_____	\$ _____	(a)
(b) Annual Value of Land used for Locating a Station-Owned Transmission Tower	CCSF Department of Electricity	87,228	(b)
(c) Station Operating Expenses	_____	_____	(c)
(d) Other (specify exact type)	_____	_____	(d)
_____	_____	_____	
_____	_____	_____	
Total General Operational Services		\$ 87,228	(2)

SCHEDULE C - continued
FISCAL YEAR 1997

IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

Supporting documentation for all claims must be maintained at the station and may be requested by CPB.

	Type of Donor	
3. OTHER SERVICES		
(a) ITV or Educational Radio	_____	\$ _____ (a)
(b) State Public Broadcasting Agencies (APBC, FL DOE, OEB and PPTN only)	_____	_____ (b)
(c) Local Advertising	_____	_____ (c)
(d) National Advertising	_____	_____ (d)
Total Other Services		\$ _____ (3)
4. Total in-Kind Contributions - Services and Other Intangibles (Sum of Lines 1 through 3)		\$ <u>87,228</u> (4)
5. In-Kind Contributions from Federal and Public Broadcasting Entities Included in Line 4		_____ (5)
6. Total Nonfederal In-Kind Contributions - Services and Other Intangibles (Line 4 less Line 5) Forward to Line 3a of the Schedule of Nonfederal Financial Support.		\$ <u><u>87,228</u></u> (6)

SCHEDULE C - *continued*
FISCAL YEAR 1997

IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

Supporting documentation for all claims must be maintained at the station and may be requested by CPB.

	Type of Donor	
3. OTHER SERVICES		
(a) ITV or Educational Radio	_____	\$ _____ (a)
(b) State Public Broadcasting Agencies (APBC, FL DOE, OEB and PPTN only)	_____	_____ (b)
(c) Local Advertising	_____	_____ (c)
(d) National Advertising	_____	_____ (d)
Total Other Services		\$ _____ (3)
4. Total in-Kind Contributions - Services and Other Intangibles (Sum of Lines 1 through 3)		
		\$ <u>87,228</u> (4)
5. In-Kind Contributions from Federal and Public Broadcasting Entities Included in Line 4		
		_____ (5)
6. Total Nonfederal In-Kind Contributions - Services and Other Intangibles (Line 4 less Line 5) Forward to Line 3a of the Schedule of Nonfederal Financial Support.		
		\$ <u><u>87,228</u></u> (6)

SCHEDULE D
FISCAL YEAR 1997

IN-KIND CONTRIBUTIONS - PROPERTY AND EQUIPMENT

Support claimed on this schedule must follow licensee guidelines for capitalization. All claims must be recognized in the station's audited financial statements

Supporting documentation for all claims must be maintained at the station and may be requested by CPB.

	Type of Donor		
1. Land	_____	\$ _____	(1)
2. Building	_____	_____	(2)
3. Equipment	_____	_____	(3)
4. Vehicle	_____	_____	(4)
5. Other (specify)	_____	_____	
	_____	_____	(5)
6. Total In-Kind Contributions - Property and Equipment (Sum of Lines 1 through 5)		\$ _____	(6)
7. In-Kind Contributions from Federal and Public Broadcasting Entities Included in Line 6		_____	(7)
8. Total Nonfederal In-Kind Contributions - Property (Line 6 less Line 7) Forward to Line 3b of the Schedule of Nonfederal Financial Support		\$ _____	(8)

SCHEDULE E
FISCAL YEAR 1997

EXPENDITURES

Include both cash and noncash expenditures

Round all figures
to nearest dollar

PROGRAM SERVICES

1. Programming and Production	\$	<u>412,168</u>	(1)
2. Broadcasting		<u>369,128</u>	(2)
3. Program Information and Promotion		<u>48,220</u>	(3)

SUPPORT SERVICES

4. Management and General		<u>363,662</u>	(4)
5. Fund Raising and Membership Development		<u> </u>	(5)
6. Underwriting and Grant Solicitation		<u> </u>	(6)
7. Depreciation and Amortization*		<u> </u>	(7)
8. Total Operating Expenditures (Lines 1 to 7)	\$	<u>1,193,178</u>	(8)

ADDITIONAL INFORMATION

9. Cost of Capital Assets Purchased or Donated			
Land and Buildings	\$	<u> </u>	(9a)
Equipment		<u>5,325</u>	(9b)
All Other		<u> </u>	(9c)
		<u>5,325</u>	(9)
10. Total Expenditures (Sum of Lines 8 and 9)	\$	<u>1,198,503</u>	(10)

ADDITIONAL INFORMATION REQUIRED

1. What percent of line 8 is attributed to salaries, wages, and benefits? 42.38 %

*If depreciation and amortization are not allocated to the various functional categories,
report the full amount on this line.

RECONCILIATION FORM

FISCAL YEAR 1997

As stated in the 1997 Annual Financial Report Handbook of Instructions, a station's AFR must be reconciled with its audited financial statements. This form may be used to assist in reconciling the two reports. Remember that all NFFS reported for any given year by a station must be recognized as support and revenue in the station's audited financial statements for that year.

CPB Annual Financial Report

list revenue reported on the following lines:

Schedule A, line 18	\$ 890,838
Schedule A, line 10 write-off of uncollectible pledges	
Schedule B, line 9	143,164
Schedule C, line 4	87,228
Schedule D, line 6	
TOTAL	\$ 1,121,230

Audited Financial Statements

Total support and revenue as recognized in the statement of activities	\$ 1,121,230
Capital grants	
Other (please explain below)	
TOTAL	\$ 1,121,230

Difference - Total CPB Annual Financial Report
less total audited financial statements \$ -0-
explain in the space provided

FORM FOR NOT FILING AUDITED FINANCIAL STATEMENTS FISCAL YEAR 1997

Stations have an option of filing audited financial statements on a biennial basis. Stations choosing this option must file statements in every even-numbered fiscal year, i.e., 1996, 1998, 2000, etc. In odd-numbered years, such as fiscal year 1997, stations may elect not to file audited financial statements. However, in the next year, the biennial statements filed must cover the twenty-four month period since the previous audited financial statements were filed and consist of two 12-month audited statements.

Keep in mind that an audited CPB Annual Financial Report must be filed each and every year. If it is subsequently found that CPB calculated the station's grants on an overstated 1997 NFFS, accordingly, grants will be adjusted by the proper amounts.

TO BE COMPLETED BY THE GENERAL MANAGER

We will not file audited financial statements for fiscal year 1997. We understand that this will oblige us to file two 12-month audited financial statements in fiscal year 1998. We also understand that the CPB Annual Financial Report for both 1997 and 1998 must be audited by an independent auditor.

Station _____
Call Letters/Network Designation

Location _____
City/State

Signature of the General Manager *Date*

Phone Number

THIS FORM MUST ACCOMPANY THE AUDITED CPB ANNUAL FINANCIAL REPORT.